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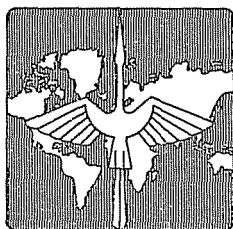
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Towards Self-Reliant Integrated Development

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Dr. [Name] - [Address]

Dear [Name]:
Thank you for your letter of [Date].

Sincerely,
[Signature]

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Towards Self-Reliant Integrated Development

J.B.W. Kuitenbrouwer

No. 55, December 1975

1. *Introduction*

The search for an integrated approach to development theory and practice has not suddenly and accidentally fallen from the sky. It reflects the failure of hitherto pursued policies and strategies and is engendered by the pressures resulting from the aggravation of the conditions of the masses, living in poverty and destitution, faced with insecurity of survival and a dim perspective for self-realisation. These conditions tend to deteriorate in countries which as yet have not chosen to secure the livelihood of all, to principally rely on the creative and productive power of their own people and to mobilise in first instance their resources for self-reliant national development.

The search for a new approach to development cannot be realised without critical examination of the reasons for failure. There is ample evidence that action so far has concentrated on symptoms, rather than striking at the roots of the processes which produce poverty, stagnation and under-development. Without a proper diagnosis, no new approach can be developed. To understand the failure of past and present practices, there is a need to probe into the premises which have served to legitimise these practices.

The United Nations Social and Economic Council and General Assembly have recommended that conditions be created for growth with equity, for participation by all people in the development process, for priority to be given to the development of human potentialities and the introduction of profound structural reforms. If such conditions have as yet not come about, there must be reasons for this failure. This leads to basic questions such as: Which are the processes and social forces that generate, shape or block development? Why is it that development planning has been beneficial to the few and detrimental to the many? Can the majority share in the making and the fruits of development, or are mass poverty and marginalisation a condition for the minority to accumulate and maintain power and wealth, given the prevailing forms of societal organisation? Which types of transformation are necessary to create conditions so that basic needs of all are met and all have a perspective for self-realisation?

The position taken in this analysis is that the critical conditions of mass poverty and stagnation in Asian societies should not be viewed as the outcome of a 'conspiracy'. It is proposed that they be understood as the unintended consequences of actions which are planned not in response to the needs of the community and the people at large, but to meet the requirements

which are inherent in the as yet dominant forms of economic organisation and the values they require and engender.

A first thesis I propose therefore is that rational planning for the elimination of poverty and stagnation is only possible to the extent that the major contradictions which are at the roots of poverty, stagnation and under-development, are being overcome.

A second thesis underlying this analysis is that no genuine development can be realised for and on behalf of people, but only through, by, and with them. People's possibility to participate in development depends on the nature and quality of their participation in society. If the structure of their society prevents them from making use of their creative and productive potentialities, then the transformation of society becomes a condition for them to participate in development.

In order to participate in this process, people need to be inspired by a philosophy and science of practice and a practice of philosophy and science which help and guide them in the transformation of themselves and their society, so as to ensure conditions of material security and a perspective for self-realisation. Relevant philosophy and science can only grow out of practice. They need, therefore, to be nurtured from the analysis by people of the concrete problems they face which reflect the underlying contradictions they will have to solve.

A third thesis is that, if self-reliant development is the aim to strive for, each people must seek its own original path to development and cannot rely on applying or imitating the experiences of other peoples. Any 'mechanistic' conception of 'transferability' of development models is therefore rejected. This does of course not exclude the need and desirability for peoples to learn from each other's experiences, achievements and mistakes. On the contrary, this seems a vital condition for human advance.

It is by now recognised that development is one and indivisible in its nature and as a process. 'Economic phenomena are in fact social in nature, are socially conditioned and have social consequences'.¹ It is also increasingly accepted that there cannot be social development unless 'economic' development is organised in a way as to meet both the needs of the community as a whole and to serve people's individual self-development.

2. *The Nature of Uneven Development*

2.1 *Development and under-development*

It is widely recognised that inequalities have increased in the third world countries, and that the impoverishment

of the masses tends to occur simultaneously with the enrichment of privileged minorities. The scope of misery is evident by the low incomes, the under- and non-utilisation of human potential for productive work and the degrading poverty that affects a majority of the region's population. It is not unlikely that in the coming years the unequal distribution of wealth and income may be exacerbated.

Inequalities not only characterise relationships between classes and groups. They are also manifest between and within regions and economic sectors. The growth of urban centres is accelerated by massive migratory movements from the countryside, and quick industrial and agricultural growth tends to be accompanied by industrial and agricultural decline or stagnation. Both in the rural and urban areas, differentials become more visible, and increased wealth and income for a minority coincides with deteriorating conditions for the majority. In short, a principle characteristic of the process of change in the Third World countries of Asia appears to be the uneven way in which it occurs - growth and progress are intertwined with regression and stagnation. There is little disagreement that these conditions lead to an explosive situation, and that unless radical changes occur, 'these growing disparities cannot be contained for any length of time'.² 'The standards of living of a staggering proportion of the population are intolerably low. The situation is sufficiently desperate to make apparent the need for urgent and radical solutions'.³

One approach to the problems of poor countries is based on the belief that underdevelopment is inherent in the Third World countries themselves. If these countries would only realise appropriate improvements and reforms and increase their trade with the rich countries and continue to receive aid from them, this would enable them to move in the direction of modernisation and finally to reach the condition of development. An opposite interpretation of the genesis and the development of underdevelopment holds that the poor countries have unevenly developed as the result of their colonial dependency which forced them into particular roles in the international division of labour which distorted and limited their capacity for autonomous development. In this view economic growth, insofar as it has taken place, has primarily responded to the requirements of dominant economic interests in the now industrialised countries, and the underdevelopment of the dependent countries, in all its manifestations, is structurally linked to the development of the dominant countries.

The first approach emphasises that modernisation of underdeveloped economies could and should be achieved by the diffusion of the basic traits of the developed societies. Modernisation is equated with development. The other approach holds that such a modernisation on the contrary tends to accelerate uneven growth, in as far as it promotes the incorporation of the dependent countries in the world production structure and market, and that this process of 'international integration' under conditions of domination/dependence is accompanied by 'national disintegration'.⁴

A genuine perspective for national development can in this view only be secured by the establishment of a New Economic Order which does away 'with the remaining vestiges of alien domination, colonialism, neo-colonialism and the other obstacles to the full emancipation of the Third World countries'.⁵

The acceptance of either of the above views will necessarily have fundamentally different theoretical and practical implications since the approach chosen to overcome the problem of underdevelopment depends on how the problems are interpreted. The position taken in this analysis is that the processes of development in the rich countries and of underdevelopment in the poor countries are the manifestation of one single historical process in which the poor countries have become impoverished by their incorporation into the dominant production structure which has blocked their development potentialities. It is proposed that their development decisively depends on whether they can achieve true autonomy so that they can freely pursue development in line with their own needs.

There is ample evidence that the countries from which development has been withheld have decisively contributed to the economic growth of the rich countries, and that for Third World countries to gain control over their natural resources in order to use them for their own development, substantial shifts in the distribution of power are required.

As the Third World countries have now become conscious of the value of their potentialities and use them as a strategic leverage in the promotion of their legitimate interests, this will have profound effects on the hitherto prevailing relationships of dominance-dependency. Such a movement towards equality in the relations between the rich and poor nations will be successful to the extent that the peoples and the leaders of the poor countries, which are in actual fact rich both in people and resources, are able to effectively deal with the political pressures of the dominant classes in the rich countries which pursue their own interests at the expense of the majority of people in rich and poor countries alike.⁶

The uneven development of Third World countries has been a long process which began with colonial domination. The initial stages were characterised by the destruction and forceful incorporation of pre-capitalist societies into the world market and the imposition of unequal exchange by military and/or political means. The break-up of pre-capitalist social formations (societies) destroyed and continues to distort the equilibrium between productive activities. The disintegration of pre-industrial forms of production caused serious imbalances in productive activity as artisans were deprived of work. This heightened the pressure on the land and promoted class formation, speculation and a rise in rents. It enhanced the dependence of a growing part of the rural population on landlords, merchants and moneylenders and encouraged the proliferation of parasitic services, both public and private.⁷

'Free' trade was imposed on the colonies after their competitive capacity had been broken thanks to prohibitively high protective tariffs in the dominant 'developing' metropolis. Indigenous industry was ruined due to these tariffs and the imposed importation of goods from the metropolis. The problem of over-accumulation in the metropolis was solved by the transfer of capital to the colonies where it was invested in agricultural and mineral production needed for the expansion of the home economy. The massive transfer of cheap raw materials decisively contributed to the dynamics of the metropolitan economy and insured high profits. This was made possible by the very low incomes and poor working conditions of the mass of the people in the colonies. Cheap imports of food made it possible during the first stages of industrialisation in the West to keep the wages low which also accelerated accumulation.

2.2 Implications of dependent industrialisation

When industrialisation began in the dependent countries, it took the form of import substitution. It was as a rule located in the coastal centres which had served as gateways for the exports and where, therefore, 'external economies', services and the administration were concentrated. These countries have mostly become geared to producing goods for the higher income classes and groups. Instead of leading to increased autonomy, this type of industrialisation has resulted in a growing dependency on foreign investment, imports of raw materials, intermediate goods. In view of the limited size of the market and the pressure for increased profits, firms have tended to rapidly become monopolistic, as this has been necessary to ensure high profitability.

While the higher income classes and groups need an ever greater income to acquire the increasingly diversified durable consumer goods, industry relies on this growth in income in order to expand. Thus instead of focusing on the needs of the population at large, industrialisation tends to respond to the 'effective demand' of a minority of the population, as this is most profitable. In many countries this tendency is also strengthened by the need of the industrialists to reach an agreement with those who exercise political and economic control in the rural areas and who form a substantial part of the clientele for industrial products.

A close relationship exists between the growth of capital intensity in production and the rise of conspicuous consumption. Insofar as production of goods and services seeks to respond to the structure of effective demand, as determined by the given distribution of income, it prescribes to a significant degree the capital-output ratio and therefore the prospects for employment. Basic goods and services needed by the low-income groups could, however, be easily produced with less capital and more labour. Thus the very composition of effective demand, shaped by the relations between classes and induced by conspicuous life style and foreign investment, implies a limitation on employment. This in turn increases unequal income distribution. In addition, it also promotes pressure on the balance of payments, as the production of the needed goods and services often requires increase in import of intermediate goods and equipment and expensive services and knowhow. Foreign exchange, however, is largely generated thanks to the work of the low income groups. Thus the prevailing pattern of income distribution reinforces inequality and leads to an increasing contradiction between the expanding wants of the privileged minority and the unmet needs of the majority of the population. It has been suggested that the real problem is not unemployment itself as this is a consequence of the structural imbalances in society. If the problem is defined as that of creating more employment, it is as a rule understood as the creation of wage employment, with the implicit assumption that self-provisioning, socially productive work, is not relevant. Such a view carries a clear bias in favour of the expansion of the modern sector. The emphasis on the expansion of self-provisioning, socially productive work would imply diminished reliance on foreign investment and aid, but this would put an expansion of capital accumulation and profit sought by those who promote such investments.⁸

It has been suggested that a movement in the direction of increased self-reliance is a crucial condition for genuine national development. This, however, is not

in itself a sufficient condition. Increased control by the State over the modern sector may well lead to the expansion and reinforcement of control by the higher income groups regarding the direction of investment in function of their consumer and services pattern. Governments, it is posited, can therefore only promote genuine national development if they have their base power in the active support of the masses. The condition for creating such support may only be acquired insofar as production is geared to the needs of the masses and serves the development of their productive and creative potentialities. In the rural areas of most countries, the possibilities of capital formation by the majority, many of whom become 'displaced peasants' in the urban centres, is only feasible insofar as production relations are changed and the bulk of the social product produced by the rural majority (small farmers, tenants, and labourers) is appropriated by themselves rather than by a minority of landlords, rich farmers, money-lenders and merchants.

Thus the possibility for the majority of the rural population to participate in national development depends on their opportunity to enjoy an equitable share of the social product they produce. This implies a halt to the transfer of wealth produced by the mass of the rural population to landlords, merchants, usurers and middlemen and to the urban centres, due to such factors as regressive taxation (by the State's disproportionate reliance on indirect taxation), negative terms of trade, and disproportionate State use of their surplus (collected through cooperatives, marketing boards and other instruments) for the expansion of industry and the urban centres. This process tends to intensify the disequilibrium between classes, between industry and agriculture and between urban centres and countryside.

An orientation of production in service of the masses would require a reversal of most current policies. The prevailing trend still goes in the opposite direction. This forces the rural masses and urban poor into a situation where they must organise and defend their interests so as to survive. The practical necessity of such action does not originate in themselves, but results from the polarisation created by the pursuit of their own interests by the dominant classes, which equate national development with their own short term advantages.

2.3. Implications of dependent agricultural modernisation

It has been widely observed that agricultural modernisation leads to an increasing concentration of land and capital in the hands of those groups of farmers who enjoy a favourable resource endowment, or of those who are

attracted by the prospect of profit and enter farming as 'entrepreneurs'. This process tends to have powerful effects on the social structure in that it causes and hastens the erosion of hitherto prevailing production relations and promotes the disintegration of pre-capitalist forms of cultivation, small-scale, self-provisioning agriculture, tenancy and sharecropping and tends to replace these by wage labour. Customary rights and relations, and the relative advantages and security derived therefrom, break down under the pressure of the market forces. As land values increase with the expansion of the market, rents rise and land speculation expands. As a result, those who are in a vulnerable position are either evicted or must accept terms which increase their vulnerability.

Access to the advantages of scientific agriculture is largely determined by the capacity to acquire the combination of inputs needed to carry out such farming, and this, in turn, is significantly dependent on the resource endowment. Endowment does not by itself explain the unequal access to the needed inputs. It is rather the political, social and cultural power connected with it which gives the rich farmers a distinct advantage over the small and marginal peasants. Monopolistic control over land leads to associated forms of control and power. Thus, domination reinforces capacity to dominate. Dependency, on the other hand, may promote among the dependent a lack of self-confidence which is frequently cultivated by those in control. Positions of dependence go indeed not unfrequently hand in hand with attitudes of scepticism and distrust and apparent apathy vis-à-vis newly emerging opportunities. Rather than calling such attitudes inborn characteristics, they may be more appropriately understood as expressions of self-defence, cultivated by an entirely rational appreciation of the limits on real opportunities imposed by the prevailing structure of social relations.

The fact that the State as a rule favours those with a more favourable resource endowment has often been justified by the argument that agricultural progress can be most easily obtained by concentrating on the better-off farmers as these are the most progressive. It must, however, be pointed out that taking the prevailing resource endowment as the basis for the allocation of support by the State naturally promotes the self-fulfilling prophecy that those assumed to be progressive farmers do, in fact, become progressive. If the productivity of different types of farming is judged without reference to the varying resource base, such a view is little more than a defence of the better-off farmers and a justification of their power. Theories of diffusion

of innovation, which assume that somehow the beneficial effects of modern farming will trickle down to the less endowed, are not in line with reality. It has been widely observed that modernisation as described has intensified already existing social polarisation and class conflict, and has promoted these where they had previously not been pronounced.⁹

It has been argued that mankind's food supply is far too valuable an asset to be treated as a mere commodity which can be marketed or not at will.¹⁰ Such a position, which clearly brings out the contradiction between private and global rationality, bypasses the fact that the very force which has encouraged the process of agricultural modernisation is the prospect of profit through the mechanisms of the market, and that in the mode of production which turns human labour into a commodity in order to produce commodities for the market, fulfillment of human needs is not the purpose but only an incidental by-product.

It is posited that famine conditions are not primarily due to climatological conditions (which aggravate the situation), scarcity of natural resources (artificially created by specific forms of social and economic organisation) and rapid population growth (a consequence of poverty and stagnation rather than its cause), but that they are the outcome of increasingly profound structural imbalances and distortions which characterise the economies of the many Third World countries as a result of the interplay of pressures for industrial and agricultural growth, in response to the search for high profitability and increasingly conspicuous consumption patterns which are fomented by the shaping of tastes and culture¹¹ in response to the requirements of profitability. They are intensified by the rise in inequality and the need for acquisition by which status can be asserted. Thus, inequality becomes a condition for such a mode of production to expand.

The failure of societies to abolish hunger and malnutrition is not to be considered as a mistake in planning or programming but as the unintended consequence of the 'free' market system. Food may be abundant, while people who have no or little income will starve as a result of speculation. This is the consequence of development policies and practices which give precedence to agricultural agrarian structures. Agrarian transformation, by generalising access to resources, would open the way for large-scale capital formation. It would widen income distribution and purchasing power, create an enlarged market for national industry and enable the mass of the rural population both to take part in national development and to be its beneficiary. Thanks to the development

of a vigorous and rationally organised agriculture, poverty, insecurity and dependency, inherent in small-scale fragmented agriculture, could be eliminated. Thus, it is suggested that under the prevailing conditions of highly unequal power distribution, a monopolistically organised market cannot serve to solve the most elementary needs of the community. Agricultural modernisation without being preceded by agrarian transformation will inevitably intensify and reinforce existing tendencies of polarisation and inequality;¹² and cannot but lead to famine conditions.

It has frequently been stated that the introduction of new technology must be accompanied by structural reforms, and that in the absence of such reforms economic development has a logic of its own which makes inequality cumulative. While land reform is to be considered essential to national development, it must also be recognised that the outcome of a policy of land reform, insofar as it involves the redistribution of power, is not determined within the agricultural sector itself but by the structure and balance of power in society as a whole. In other words, its outcome will decisively depend on the degree to which the forces for transformation set into motion in the countryside will be supported by the emergence of other social forces in society, which make possible a more egalitarian society thanks to a redistribution of power and opportunities.

A note of caution may be necessary with respect to the general tendency to advocate the benefits of agrarian reform in the abstract. Historical experience shows that the outcome of agrarian reform varies with the concrete conditions in which it takes place and the classes which support it. If promoted by those classes and interests which have a stake in the maintenance of the status quo, land reform may well serve temporarily to stabilise an economic, social and political constellation which by its very nature is inimical to the development of the community as a whole. On the other hand, if it comes about as a result of overwhelming pressure from the peasantry, it is more likely to initiate a process which opens up real opportunities for the marginalised and ensures them a share in the control over society, its resources and its development.¹³ As has been observed, the chief exceptions in Third World countries to increase inequality and deprivation are apparently those countries where revolutionary changes have swept away not only the pre-existing rural power and property structures, but also the pre-existing relationships between urban and rural areas.¹⁴

2.4 *Uneven development between and within regions and sectors.*

It is often suggested that pronounced differences in conditions between urban centres and rural areas, between high productivity in modern industry and low productivity in traditional agriculture are due to the backwardness of that part of society which seems to remain stagnant and even shows signs of regression. Such a view tends to ignore the historical processes which accumulatively have caused the stagnation of rural society. It became 'traditionalised' while it decisively contributes to the accumulation which made possible urban expansion and modernisation. Thus, urban areas frequently owe their modernisation to a significant extent to the exploitation of the hinterland. There is a danger that asymmetric relationships, evolved over a long period, are merely perceived as problems of spatial organisation and that no attention is paid to the underlying dynamics shaping the observed imbalances.

The perpetuation of the primacy of major centres reflects a form of internal colonialism in which industry, wealth and power are concentrated in these centres, as they were concentrated in the distant metropolis during the colonial era. The hinterland serves these centres as a source of cheap raw materials, labour and food.¹⁵ Therefore, interior areas which remain backward should not be considered as 'lagging' behind, but as being blocked in their development as a consequence of their dependency ties with the urban centres. To express urban/rural unequal relationships simply in spatial or cultural terms conceals their real character. In reality these relationships are a result of the asymmetric nature of the structure of existing social and production relations.¹⁶ It is the dominant classes in both the urban centres and the countryside which direct the surplus extracted from the countryside to the centres, or into operations which intensify the unequal terms of trade at the expense of the mass of the rural people.

Thus, the continuing semi-colonial character of relations between the urban centres and the countryside is often maintained by keeping the peasant population in a state of subjection and relative poverty, as a consequence of which they are forced to sell their produce at minimum prices. They are therefore deprived of the means to invest and achieve higher productivity. Even in cases where investment would be possible, motivation may be low, unless they have the prospect of obtaining a more equitable share of the social product and of enjoying more favourable terms of trade. Attitudes of relative passivity which are observed in such cases therefore do not

result from innate characteristics of rural people. They are a rational response to the unequal share in the social product or unequal terms of trade into which they are forced because of their weak bargaining power. The cheap prices at which the peasants sell their produce do not, however, guarantee cheap raw materials for industry, since traders generally take substantial profits. Also, a significant part of the proceeds is not productively invested: if not reinvested in the further expansion of trade, it is directed towards speculation (in land and construction) or conspicuous consumption.

Another application of dualist theory underlies the division of productive activity into a modern so-called 'formal' and the traditional so-called 'informal' sector. While the formal sector is stimulated by foreign investment, capital intensive technology, high productivity and dynamic growth, the informal sector is engaged in by small-scale production, makes use of primitive indigenous technology, is labour-intensive and is characterised by low output, low productivity and especially low wages. The formal sector's advance is principally due to the State's active support which creates conditions for privileged access to resources. It is characterised by production and distribution monopolies under which productive activity becomes highly profitable. The advantages provided to the formal sector tend to encourage capital intensive operations which permit higher wages but create little employment. The informal sector, including the bulk of small national entrepreneurs, is as a rule not actively supported by the States. It is therefore forced to proceed under discriminatory conditions, such as high interest rates, limited access to foreign exchange and open competition. If the formal sector absorbs little employment, it is the informal sector which is expected to carry the burden, although it is deprived of the means to expand its operations, to enhance its productivity and to stimulate the improvement and spread of income. Income is depressed by the abundance of labour, which finds it difficult both to make a living in the pre-capitalist economy and to find employment in the modern sector. If at the same time the informal sector (not only in industry but also in agriculture) produces supporting goods and services at low prices, this is to the distinct advantage of the formal sector, insofar as low-cost inputs enhance its profitability. There are good reasons for the formal sector to maintain the informal sector as a cheap supplier of inputs. Suggestions that the formal sector should as much as possible make use of local resources, are in contradiction with the advantages that foreign investment derives from cheap imports through transfer pricing as a

way of augmenting its profits. The formal sector can defend itself, if criticised for acting against the national interest, by stressing the inferior quality of locally produced inputs and that consumer preference demands high quality goods, at least as high in quality as those previously imported. Thus what is good for the country is often equated with the tastes of the higher income groups. A contradiction therefore appears to exist between the interests of foreign and associated national investment in the formal sector and the expansion of the informal sector.

It is generally recognised that the multinational corporations are the principal carriers of the recent scientific and technological revolution. They tend, however, to deepen the dependency on the industrially advanced dominant countries. They may have multiple unintended negative effects as they may destroy local economies, promote growth without development, impair the sovereignty of countries and unintentionally contribute to increasing disequilibria in and between regions, sectors and groups of the population.¹⁷ In order to be efficient and operate profitably, they are forced to concentrate on the promotion of an imitative life-style, although this can only be done by excluding the vast majority of the population. There is full evidence that the very dynamics of economic growth are pressing for further concentration and centralisation of capital on a world scale. Unless controlled, such tendency will inevitably further restrict the possibilities of the Third World countries to pursue the path of self-reliant development.

Dependent modernisation has other far-reaching implications. One is that integration into the world-wide capitalist economy leads to a process of 'outward' integration; that is, only that part of the economy which becomes modernised is incorporated into the world market. The other part of the economy is only considered useful insofar as it serves the modern incorporated sector. The principal concern of the modern sector may be to minimise the potential disturbances from the 'non-useful' sector. To counter the negative effects of modernisation, policies may be considered which one-sidedly emphasise labour intensive approaches without establishing the conditions under which such policies would contribute to organic and integrated dynamic national development. Thus, the continued poverty of the masses may be a necessary condition for the integration of a privileged minority into a world system which requires, as it intensifies, political and cultural forms of control, needed to ensure stability but which block people's self-realisation.

3. *From Modernisation to Transformation*

If the prevailing form of allocating resources and distributing benefits divides rather than unifies, promotes inequalities rather than equality, and draws into its circuit of production and consumption only a minority of the population while excluding the majority, and if it produces non-essential items instead of answering basic needs, then the conclusion cannot but be that a radically different organisation of society is needed, one which is not based on maximising profits in the context of the market as a principal instrument, but one which ensures that production and distribution effectively respond to the needs of the nation and of all groups of the population.

This does not mean the abolition of the market, insofar as it serves to reveal the constantly changing needs of the population and to adapt the process of production to such needs. What it does mean is that its function should be transformed from that of an instrument for maximising profit to an instrument which serves the whole community.

The establishment by the Third World countries of sovereign control over their natural resources is essential to such a process, and would also include progressive control over the processing as well as over the transfer of these resources to the dominant countries.

Self-reliance as a condition for national development does not imply isolation and withdrawal but effective control over the mobilisation and allocation of resources, conditions of trade and investment so as to ensure that these respond to the requirements of domestic development. Although exports may be an essential instrument for national development for many countries, they cannot rely primarily on them as this would signify the continued shaping of the economy by foreign requirements and interests. Also, if countries seek self-reliance they cannot primarily rely on the importation of foreign capital and technology. They must primarily rely on indigenous scientific research to create technology appropriate to their own purposes. Selective use of foreign technology may have a complementary useful role, but its appropriateness will depend on each country's capacity to ensure that it is used in accordance with national requirements.

The proposition that profitability and the market mechanism as driving forces must be replaced by alternative practices of societal organisation can easily be dismissed as utopian and unrealistic. Indeed, if the prevailing order is taken as the norm and therefore the only possible and legitimate criterion, then any other

way in which people may wish to organise becomes inconceivable and unacceptable. Also, if the majority of people would favour a new society, it may well be that established interests would oppose them in view of loss of profit opportunities. Such interests act upon the country not only from outside but from within as well, through national dominant classes and their associated groups. It is the existence of these which provide the external dominant classes with a base of operations within the countries in question. A process of internal transformation, therefore, appears also to be an essential condition of self-reliant development. This leads to the conclusion that achieving control over external forces which prevent national development, as well as transforming internal conditions, are two dimensions of the same movement required for the promotion of genuine national development.

It is often argued that modernisation has its inevitable social costs and that these costs are indispensable to accumulation required to ensure growth. It is proposed here that large-scale poverty, in most dependent countries, does not arise from the absence of resources but from the inadequate or wasteful manner in which they are utilised. A substantial share of the social product is conspicuously consumed. Another part is unproductively invested in land and real estate speculation, the expansion of trade, the creation of costly services and facilities, or is located or invested abroad. A major portion of unproductive consumption and investment results from the appropriation of the social product by landowners, merchants, money-lenders and intermediaries from the mass of rural and urban producers and consumers. Still another portion of the social product leaves the country by way of profits by foreign investors. Yet another part is unproductively used by the State to expand the bureaucratic apparatus, create the infrastructure (energy, transport, communications services) for industrial growth (from which only the minority benefits) as well as for the expansion of the military establishment, the purchase of arms and the increase of security provisions. Thus, a significant share of the total social product is unproductively invested or consumed, from the point of view of national and majority needs.

The contention that consumption by the majority population has to be kept at a minimum to permit saving has no basis. The classical argument that concentration of income and inequality are indispensable in order to guarantee saving is quite unconvincing in view of the above indicated patterns of unproductive investment and

consumption. There is evidence that saving propensities are very low in countries with very unequal income distributions, while countries with less concentration of income have much higher saving propensities.¹⁸

Therefore, there are good grounds to propose that a more equal distribution in income would have no negative effects on incentives for growth, or on growth itself.¹⁹

Conventional economic analysis is based on the questionable assumption that accumulation and consumption are mutually exclusive and that investment cannot be increased unless consumption is limited, whereas expanding consumption would necessarily limit the scope for investment. The evidence presented above suggests, however, that it is appropriate to divide the social product not into two but into three parts: (1) productive investment, (2) productive consumption and (3) unproductive investment and consumption. By limiting and controlling the third part, both productive investment and productive consumption can be increased simultaneously. The question as to what is unproductive investment and consumption cannot be answered on the basis of technical criteria, but only from particular value and interest positions. If profit is taken as the basic criterion, then any production or consumption that generates profit must be considered socially productive. If, however, the needs of the community at large are taken as the criterion, then all production and consumption which prevent or reduce the people's livelihood, either directly or indirectly, need be qualified as unproductive.

As a result of uneven development, with its concentrated and limited modernisation, under which a major part of the population is either maintained under semi-feudal conditions or is excluded from productive and gainful participation in development, the mobilisation of the potential surplus both by the all-round mobilisation of resources and the actualisation of all people's creative and productive potential, is ignored. It is the mobilisation of this potential surplus which, together with the productive use of the currently misused actual surplus, provides a real possibility for national self-reliant development. The mobilisation of this potential productive capacity by the majority population cannot be realised, however, without the elimination of the pronounced inequalities which as a rule characterise social relations.

Experience shows that it is possible to realise dynamic self-reliant development without focusing on growth as such, but rather on a particular composition and distribution of the national product in line with the basic needs of the population at large, and to rely on the productive work of the majority as the basic for

expanding production and increasing welfare. Such a path implies a radical break with the traditional insistence that aggregate growth and output are the fundamental measures for national development. In contrast, it is proposed that true development requires the satisfaction of the basic needs of the entire population, in terms of socially productive work, reasonable income and the fulfilment of basic individual and collective necessities such as food, shelter, health and security. The satisfaction of these basic needs, however, does not in itself constitute development. Development implies that with the satisfaction of these basic needs people progressively achieve control over the social and material conditions which determine their life, work and environment; that is to say, over the processes of production, distribution and consumption in their community.

It is posited here that the processes of distribution and consumption are determined by the very manner in which production is organised, and that when productive resources, instruments and income are concentrated, the distribution of benefits will also be concentrated. Therefore, to change distribution and consumption patterns (in order to allow productive and creative work by the mass of the population) would require transforming the conditions of production or, in other words, the demonopolisation and democratisation of the control, access and use of productive resources and instruments. Dominant class(es) have seen as a rule reliance on foreign investment and aid as the solution. This is likely to lead to a focus on those economic ventures which will promote further unevenness and dependency. 'Social' programmes and poverty relief become a necessary dimension of such an approach as they are needed to protect it against instability.

Both the elimination of major economic, social and political privileges and inequalities and a relatively frugal lifestyle are required to develop a self-reliant society. Societies which take this road must then fully draw upon the large reservoir of underutilised productive and creative potential of the people. The realisation of egalitarian reforms will make it possible to awaken their commitment and to overcome their rational refusal to cooperate, their suspicion, apathy and conformism, acquired in the long process of subordination and self-protection. In this view dynamic, self-sustaining development springs from the initiative and the full participation of the masses in the organisation of their own community and society, and their direct democratic control over the circumstances and conditions under which they work and produce.

The process envisaged here is fundamentally different from that which occurred in the industrialised countries of the north and it would enable people to simultaneously increase production and raise their welfare. In this view, the squeeze and great sacrifices imposed on the peasantry and workers in the now industrially advanced countries, resulting from the vagaries of the market forces or the State's efforts to maximise central accumulation as a condition for growth, are not only unnecessary but are a fundamental impediment to the full activation of the productive and creative potential of the working population. For such a new approach to be possible, new economic and social relations based on direct democratic, political and economic control, self-organisation and self-management must replace the prevailing structures which politically, socially and economically subordinate the working people, stifle their creativity and initiative and compel them to live in miserable material conditions, while also their search for well-being and self-fulfilment is blocked.²⁰

Thus, it is proposed that, instead of concentrating resources and the means of production in a few centres - centralising science, technology, expertise, skills, education, infrastructure and services in support of such concentrated production (which, at high cost, creates employment and income opportunities for only a minority and those associated with this type of production) - the all-round mobilisation of resources should be pursued by relying to as great a degree as possible on the resourceful and creative intervention of people in their communities. Thus, productive operations should be decentralised and distributed. It would also imply that rather than relying on formal authority and hierarchical command structures, reliance would be placed on democratic cooperation. This would encourage self-initiative and self-organisation on the basis of open and continuous discussion and the exchange of insights. Decision making would be in the hands of those in charge, who should be chosen for their trustworthiness and acceptability by the working population. They should always be subject to control, review and recall.

A network of communities, in which people develop and acquire direct democratic control over their lives and work, in which they can freely express their social needs and can organise in order to use and develop their productive and creative capacities to meet their needs, cannot be autarchic and self-regulating. They can only be considered in terms of a wider context of interconnected communities which, even though they may function as relatively autonomous units, require central direction to orient their relations in order to promote

compatibility and complementarity. If the organisation of such relatively autonomous communities seems crucial to the development of self-reliant productive and creative capacity and to active self-government to safeguard and promote unity and balance between local, regional and national interests), central planning appears as indispensable. It is suggested that central direction and guidance, with constant feedback from below, are necessary to create and develop the proper conditions in which regions, areas and communities can plan and carry out their self-programmed activities. The more integrated and self-sufficient regions and communities become, the easier it is to promote active and conscious democratic participation by the population. In this way it will be possible to overcome the stultifying division of labour which divides the population (rural-agricultural/urban-industrial, manual/intellectual) by promoting the interchangeability, integration and co-ordination of people's activities.

While central planning is indispensable to the balanced development between people, regions and sectors (so as gradually to overcome uneven development), such planning can only be sensitive to people's needs and potentialities if it is embedded in a continuous process of consultation from the base upward. This is particularly important in terms of leaders and authorities, who should be chosen and periodically rotated or confirmed by the local communities and their direct representatives. Those who plan from the centre and higher levels can only be sensitive to the needs and potentialities of the local people, if they are accountable to them and to a movement which is trusted and actively supported by most people.

Thus the capacity to diagnose correctly prevailing problems, needs and potentialities demands the development of a close rapport with the local people and their identification with the communities' problems and concerns. It also requires that planning proposals be based on concrete study of concrete conditions, and be rooted in an understanding of how these conditions have come about, how people perceive their problems and see their solution. Thus, planning from above can only be effective, it is suggested, insofar as it sets into motion a process of diagnosis and planning by local people formulating practical proposals for action. Such proposals should be the outcome of a process of critical confrontation in which both sides gain in theoretical (interpretative) capacity as a basis for practical action, which, in turn, serves as the starting point for theoretical analysis.

It is suggested that self-reliant dynamic development in such an alternative approach decisively depends

on the transfer of control over productive resources and instruments from the minority to the majority of people. Such a transfer appears a technical condition for development. It is also crucial that people transform themselves and form a new consciousness and new values. The creation of a new society without the formation of 'new men' is inconceivable. Yet 'new people' can only emerge in the process of changing their conditions. New consciousness and new conditions are dialectically dependent on each other through the process of human practice.

In this view, central planning, not rooted in democratic practice, slows down rather than speeds up self-reliant national development. Rather than involving the mass of the population in a widespread process of learning and self-education through practice and experimentation (in terms of developing critical capacity and scientific methods of analysis), it has to rely mainly on the creation of a technocratic and hierarchically organised caste of experts and specialised professionals and skilled workers, their experience and knowhow, may be of crucial value to the production process in which they are involved and the maintenance of their privileged position. It has, however, little multiplier effect. When the whole working population acquires new scientific attitudes and methods, the groundwork is laid for a broad-based advance by the entire community at a later stage. Although it may be necessary to 'sacrifice' productivity, the outcome will be positive, not only in terms of productivity but, above all, in regard to the conditions which are created for meaningful creative work by the community as a whole and in support of an egalitarian society. In such a society people would have a sense of self-fulfilment and self-respect, and their work - rather than being experienced as a mere necessity and a burden - would become rooted in a desire for self-realisation and self-development. In this way production increases are not externally imposed ends to which people must be subordinated but ends which coincide with people's interest in improving their conditions as well as with their need to enhance their personal being.

There are good grounds to posit that the underdevelopment and stagnation of an indigenous science and technology in the dependent countries is rooted in the indiscriminate importation of packages of capital-technology-management and restrictions on the use of knowledge and practice, due to monopolistic conditions under which industrial technology is transferred.

A definite connection may be observed between the relative decline of local invention and innovation and the growing concentration of research and development in the hands of the multinational corporations.

With the present concentration of science and technology in the world, the challenge for the Third World countries is to create the conditions under which they will be able to develop their own science and technology in response to their national requirements, and to use the fund of established science and technology in a selective and creative way so that, rather than being a liability - blocking autonomous, balanced development - they promote it. There is undoubtedly a close link between the ways in which accumulation takes place and is promoted in a country, and the possibilities for people to be encouraged to acquire scientific attitudes and to learn by doing (making a virtue of necessity). If and when accumulation is primarily viewed as the concentration of capital and technology in a few production centres, then involvement in science and technology necessarily becomes the privilege of specialised elites.

If, on the contrary, reliance is placed on the widest possible multiplication of initiatives, this would also entail alternative patterns of accumulation and of the development of science and technology. New perceptions regarding accumulation and how it can take place, require new approaches to linking productive activities and sectors. In what follows, an attempt is made to analyse some of the alternative approaches and to work out proposals regarding how productive activities and linkages can be organised in view of both accumulation and social development so that effects will be unifying rather than dividing. A basic premise is that a country will mainly rely for its development on its own resources and mobilising capacity, and that planned use will be made of the surplus which is generated.

4. *Towards Balanced Integrated Self-reliant Development.*

A central condition for balanced self-reliant development is the organisation of an organic, mutually supportive, relationship between agriculture and industry. Industry can only advance if agriculture ensures a stable food supply and inputs in proportion to industry's requirements for expansion. On the other hand, agriculture can only advance if it is supplied by industry with the needed inputs, so that it is able to increase its productivity and the rural working population can acquire for reasonable prices goods which meet their basic needs.

It is proposed that countries can only achieve self-sustained and balanced self-reliant development if and when they make agriculture the foundation of their

development policy. The production of a secure and abundant food supply must have priority over any other productive activity. If and when this is achieved, it becomes possible to diversify agriculture and to reserve part of the land, with the increase of productivity in food production, to the production of industrial inputs.

The transformation of prevailing inequitable agrarian structures is vital to secure the full mobilisation and participation by the large majority of the rural population. The abolition of concentrated ownership, the reduction of rents, the conversion of tenancy into ownership, the curtailment of the economic, political and social power of landlords and rich peasants, the elimination of usury and exploitative trading, the cancellation of indebtedness, and an organisation of resources so that all can have equal access to their use, are essential, in order to raise the productive and creative power of the masses and awaken their interest in supporting national development.

The pursuit of equality has to be realised in such a way that it raises and promotes the motivation and commitment of the large majority of people. The main purpose of a radical land reform which redistributes power, realises social justice and transfers the land to the tillers would be that it releases their productive and creative potentialities.

An effective policy for rural development cannot limit itself to the promotion of small-scale farming. Apart from the likelihood that in pursuit of such a policy many small farmers, tenants and landless labourers will be left out, there is the risk that such an approach takes the *status quo* regarding the control over resources for given. As a result, the peasantry is 'frozen' into an agrarian organisation which structurally impedes its advance. There are no grounds to idealise the condition of the small farmers and to over-emphasise their often comparatively high productivity. This is largely due to the extreme pressures on them to secure the survival of the family. It leads to a severe measure of self-exploitation, into which they are forced in order to weather their highly adverse conditions.²¹ Unless the peasantry acquires control of its environment, it is doomed to marginalisation.

If small farmers are drawn into the process of modernisation without prior agrarian transformation, they may retain the nominal title over their small plots of land, but in actual fact they will become wage labourers, as they become dependent on outside contractual market arrangements, both for the supply of inputs as well as for the delivery of their products. Monopolistic control over inputs by corporations which can

set prices with relative independence, and which also acquire control over marketing so as to maximise accumulation, leads to an increasingly costly agriculture and new forms of dependence by the peasantry replace the old ones.²² It is therefore posited that unless the peasantry organises for joint farming and management and acquires a proportionate share in the management of society, and the control over own conditions, there is no future for the mass of the rural population in Third World countries.

In this conception, participation is the transfer of power from a minority with monopolistic control over economic, political, social and cultural resources to the majority of the rural population. Unless the peasant population is the mover or is directly associated with this process of transfer and distribution of power and the reshaping of rural productive organisation, its results may remain limited or even turn out to be counterproductive.²³

Participation by the rural masses implies enhanced capacity to perceive their needs, formulate their demands, organise to promote their legitimate interests, secure conditions for their improved livelihood and play a major role in the management of their own affairs. This presupposes government support and reliance on them.

Cooperative organisation enables the rural population to mobilise itself for a variety of projects of material and social capital formation. It greatly facilitates the use of surplus labour power (e.g. irrigation works, forestation, road construction, land development). It facilitates joint saving for community projects which are deemed urgent from a productive or social development point of view. By pooling their individually limited resources (land and tools) and their experience and skills, they prepare the ground for more rational management. Also, a structure is created in this way which facilitates and promotes communication and exchange and participation in planning in a wider context.²⁴

Inasfar as rural development relies on the fullest initiative of the people in the development and control of their self-managed communities, it is incompatible with the existence of bureaucratic or technocratic elite and requires that cadres of government or of a movement which guides and inspires the process are genuinely at the service of the community.

The creation of a harmonious balance between production and consumption, supply and demand will be greatly facilitated by decentralisation. This will reduce the distance between producers and consumers so that democratic control and participation can be enhanced. Regional decentralisation may facilitate integrated planning

between and within sectors and branches of sectors as linkages are shortened and become more easily controllable and adjustable to changing requirements. Area and local decentralisation may greatly facilitate flexible planning and programming of the basic necessities for production and consumption. The specific level at which an organically interlinked system of decentralised control and action is to be organised within national planning would vary in accordance with such factors as population density, distribution, patterns of resource endowment and development potential, ecological setting, communications and history of relations.

As integrated approach not only requires the harmonious and balanced proportionate development of agriculture and industry as if they were two separately organised activities, one in the urban, the other in the rural area. It implies the integration of both in terms most advantageous to the population and through which both economic and social advance are most stimulated. The development of industry is vital in this respect. The dynamic development of local rural industry is essential for the further expansion of agriculture. Yet this is also only possible as a result of such an expansion. With the increase of food production, it is possible to devote more land and resources to produce raw materials for the production of other basic necessities. The increase of agricultural production implies also the increase of purchasing power of the rural population and the capacity to save and accumulate. This opens the way for the purchase of equipment and the technification of agriculture so that productivity may rise, production may become less labour-intensive and people are freed to engage in other types of activity. The economy becomes more diversified. At the same time, the capacity to support and promote social development rises.

The development of local industries in the rural areas requires relatively small amounts of investment and can be set up in a short time. Full use can be made of local productive and creative potential and resources. Also it allows for rather simple technology which can be developed locally and may be gradually improved, as experience is gained. Local innovations and improvements may be combined with the introduction of more advanced technology and techniques from outside, either by the cooperative communities, learning from experiences in neighbouring areas and/or from urban centres, thanks to technical cooperation offered. The local area and regional authorities can play a crucial role in promoting and arranging for the exchange of knowhow in production and management. The development of local industry not

only allows for a flexible response to new requirements but also diminishes transportation costs. The stress on local autonomous initiative by no means implies a one-sided emphasis on local inventivity and creativity. Rather it is based on efforts to link outside advanced support with the promotion of local capacity for problem-finding and problem-solving. In this way, local research for new ways and techniques draws on and is stimulated by the reservoir of knowledge and experience from more advanced production centres. Also, local industries may produce components for nearby urban-based industries so that capital-and-labour-intensive activities are combined.

With the development of agriculture, a whole range of local industry is needed in such fields as repair, the manufacturing of small capital goods and tools, agricultural inputs, processing, as well as the production of consumer goods.²⁵

If the rural masses are assured a major share in the fruits of their work, then increased production will provide them with increased income. In this way, not only individual and family needs for basic necessities can be met. A fund can be set up for the organisation and expansion of community provisions in the fields of education, health, electricity, water supply, housing, enhancement of the environment, transport and communications, provisions for the aged, crèches, recreation, sports and playgrounds, restaurants, community shops, and other facilities which make life in the rural areas not only bearable but attractive. In this conception, social development is not a gift of the central government, but is basically the responsibility of people themselves through the self-managed communities and area organisations of which they are part. Thus social development is not perceived as a rescue or relief operation by the authorities, handing out 'welfare', but it relies on and strengthens self-reliance. The task of the higher authorities is limited to coordination, supervision, and guidance.

In this way, the rise of a large bureaucracy, for which it would be difficult to closely identify with local concerns, changing needs and possibilities, is avoided. Also, this approach provides scope for local commitment, interest and vocation and for a widening practice of self-management. The pattern of centralised control over budget and management of social services in many Third World countries has been fashioned on the organisation of services in the industrially advanced countries which transferred it to their colonies or through their aid and training programmes. They are often

quite inaccessible and very costly. There is an urgent need for the development of a new approach in Third World countries so as to overcome the growing dysfunctionality of the prevailing social services set-up (over-reliance on government, high concentration of services, disproportionately large expenditures, e.g. school construction, health services - the costs of transportation by villagers to far-away medical centres may be higher than the current expenditures to run such centres), the development of highly professionalised and specialised services serving in first instance the high income groups. Its realisation hinges, however, on the implementation of far-reaching transformations leading to a more even distribution of power and a new mode of production, responding to all people's needs and, implicit in this, to a more balanced distribution of productive activities, of income and of social development.

With the integrated development of the rural areas, the function of industries in the major urban centres will have to change and support the new requirements and needs of the countryside. Urban light industries may have to become more specialised. Heavy industry can continue to produce capital goods for industries in the urban centres, but it will at the same time have to gear to production of more complex and larger capital goods, required for the advance of rural development. The transformation of the agrarian structure, the elimination of parasitic and unequal terms of trade between the urban centres and rural areas and the concomitant release of dynamic forces in terms of human motivation and resource mobilisation thus provide urban industries with the new task of activating the indigenous process of self-development in the countryside. Inversely, this process stimulates the development of the regional and area urban centres which serve as dynamic growth poles for the surrounding areas with their self-managed communities. It is in these growth poles that larger industries and central services would be located and from where area and local planning would be coordinated.

Such a strategy for transformation can only emerge from an analysis of concrete problems and their interdependence. It requires also selfless intellectual and political leadership to a mass movement for transformation which is able to rally a growing majority, desirous to join in the making of a new society. Unless this leadership is able to promote an effective organisation involving the bulk of the population, and unless it gives direction to the process of transformation by fully relying on democratic practices, it cannot lead to a transformation in depth. After an initial period

the leadership is likely to feel forced to resort to coercion against the very groups of the population whose emancipation and cooperation it pretends to promote. Insofar as such leadership is unable or unwilling to be open to and accept criticism, exercise self-criticism and to submit itself to the critical control of the masses, it is likely to isolate itself and thereby lose the capacity to be sensitive to people's changing needs and expanding capacity for self-management.

The difficulty to develop a critical vision of conditions may be rooted in scarcity, resulting from small-scale production and the use of primitive techniques. These tend to perpetuate poverty, thereby limiting people's capacity to perceive alternative ways of acting. Potential alternatives may not be actualised owing to a sense of insecurity and fear. The 'well-bottom' view of the poor, and the ignorance which is engendered by it, are as a rule accompanied by a tendency to perceive change either through marginal small-scale action or by short-run drastic action. As the latter is neither based on a correct appreciation of the problems involved nor on the formulation of a strategy to overcome them, it is likely to aggravate their conditions. Only a strategy based on the coordinated action of all groups seeking to overcome their marginalisation can be expected to be effective.

There is often a tendency to underestimate or deny the capacity of people to transform themselves, equating their capacity with the limitations they have acquired in the process of their marginalisation. There may also, however, be an opposite tendency to over-estimate their capacity to change and to assume that it automatically flows from the transformation of their material conditions and of the structure to which they were previously subordinated. There is considerable evidence that people are able to develop, in a relatively short time, a new outlook and the capacity to act in new productive and creative cooperative ways, if free to pursue their vital interests. Nevertheless, the process towards the development of new social and productive relations, as well as of new values, cannot be but arduous. It cannot be linear but only full of ups and downs, resulting from the constantly changing relations between classes and the contradictions which are engendered in this process.

The achievement by the masses of effective democratic control over their lives, work and environment does not mean that authority and discipline can be dispensed with. It is suggested that authority and self-initiative and freedom and discipline are not mutually exclusive. Such a view bypasses the fact that no human

freedom can exist without discipline, and that no human discipline can develop except in the context of freedom. People can only free themselves insofar as they accept their limitations deriving from their belonging to a structured whole of relations with other people. Their self-realisation requires that they organise their lives and works in such a way as to reconcile their own self-fulfilment with that of others. Discipline in this sense means the development of self-consciousness that one forms part of a community, and that one can only develop one's self as a *social* being, in the context of conscious association and solidarity with others.

In order to ensure that the basic needs of all people can be met and gone beyond, social discipline is required of all. People will more easily exercise such discipline if all join in, and if their experience demonstrates that all share the same burdens and benefits. Thus, social discipline becomes a vital condition for the promotion of freedom for all. Social discipline by all, however, can only develop to the degree that the distribution of the social product and the benefits deriving therefrom, are no longer subject to antagonistic interests which divide people. Thus, the emphasis on the mobilisation of people's free and spontaneous initiative and creativity, which are a source of both enhanced productivity and self-realisation, in no way implies a rejection of the need for a new form of authority and discipline which has its source in the people themselves.

The question may be raised whether such reliance on decentralisation does not run counter to the need for central authority and planning. It is suggested that central authority and planning (as a form of discipline) are a condition for decentralisation, insofar as they protect and promote people's needs for self-realisation and ensure compatibility, complementarity and cooperation. Such central authority would only be able to obtain the whole-hearted consent and cooperation of all people insofar as they perceive that it acts in the general interest and thereby benefits the community as a whole. Thus, central authority and planning lose their formal compulsory nature insofar as they are materially supported by those to whom they provide the contextual conditions for their action.

Intellectuals may take the stand that, as they attempt and need to have a scientific approach to reality (and also to their own society), it is essential for them to guard their distance and neutrality. While the need to guard distance in order to approach social reality appears essential to understand it properly, at the same time involvement seems as indispensable for

such an understanding. In actual practice, neutrality is hardly imaginable, and people, although they must not be aware of it, are always shaped and guided by the values and ideology which they have acquired and which guide them in choosing the object of their concern and interest. If they maintained that their position should be strictly based on the interpretation of the facts, it might be argued that 'facts' as such do not exist, and that factuality only becomes visible if it is approached from a perspective of true interest, the interest of a free society, a just state or human self-realisation.

It is proposed that neither in the domain of the social sciences nor in that of development planning, is it possible to proceed as if they were 'neutral'.²⁶ Social scientists and social practitioners, whether economists, sociologists, planners, social workers, engineers, architects, educators, physicians, agronomists or administrators, are all involved in forms of social practice. The orientation of such practice is shaped by the nature of the contradictions in society which manifest themselves in the prevailing problems and the interests social scientists and social practitioners associate with and the values they pursue. The need for an integrated approach becomes increasingly urgent in view of the growing complexity of problems and the increasing specialisation and division of labour in social activity. These are also manifest in the work of social scientists and social practitioners. It is suggested that they can only be overcome in the very action for the creation of a new society, in which people and their activities would be primarily organised to solving the needs of the masses, to secure livelihood for all and a perspective for self-realisation. The unity in the theory and practice of the social sciences and in planning theoretically lies in the indivisibility of people's well-being, welfare and needs. Their actual unity requires new forms of practice by which the division of labour which reflects and promotes the atomisation and fragmentation of people's being and activities in a divided and polarised society give way to cooperation and solidarity. The 'truth' of the indivisibility of people's needs, well-being and welfare and the unity of the social sciences and planning cannot be proven in theory but only in human practice itself. It requires that scientists and practitioners identify and associate with the process of transformation of their society and the realisation of justice, equality and democracy. But justice, equality and democracy have no end term. They express the struggle and process for human self-realisation. No people and no country can claim that it has reached justice, equality or democracy as no people or

country can claim that it is 'developed' vis-à-vis other peoples or countries.²⁷ They serve peoples and people to forge ways and instruments in practice to free themselves from the constraints on their creativity and self-realisation.

The special task of social workers as social practitioners may be to help people to understand the nature of the contradictions or problems with which they are faced, to discover the social forces which shape their lives, work and environment, to understand themselves; and to assist people in learning how to constructively handle the contradictions they face and to organise in order to transform the social relations of which they are part and the world around them so as to ensure their livelihood and open the way for self-realisation.

It is unlikely that marginalised people would have a possibility of self-realisation unless they rely on the cooperation of intellectuals who help them develop their potentialities in order to discover the nature of their problems and to seek solutions. However, it cannot be expected that intellectuals will cooperate unless they identify with the people in question. Only to the degree that intellectuals unify with them by attempting to comprehend their existence, sufferings, concerns and aspirations from within, can they come to understand them. 'This does not mean merely acquiring knowledge about people. True knowledge requires understanding, feeling and becoming involved - not only for knowledge's sake but for the sake of the people. If such a relationship is not there, the relations of intellectuals with the people tend to become purely bureaucratic and formal'.²⁸

It is suggested that unless intellectuals learn from the people, they are in no position to help, as they are likely to come up with preconceived conceptions and solutions. Thus, critical analysis which can serve to bring about transformation can only be developed from and within what is concrete. The formation of a dynamic theoretical insight seems impossible, unless rooted in and driven by those aspiring to and providing the practical urge for social transformation.

If it is the historically determined division of labour that has created intellectual functions as a separate form of activity, it would seem appropriate to suggest that all people, manual or non-manual, rich or poor, men or women, are intellectuals, but only some exercise 'being an intellectual' as a special function. This entails a sharp break with the view that intellectuals are intellectuals because of certain innate or superior qualities and that the large majority who live by manual work have inferior intellectual capacity and

therefore must do such work. All evidence, both from experience and from reliable scientific research, indicates that intellectual capacity is more or less evenly distributed among social classes.²⁹ Thus, it must be admitted that social position or origins block intellectual emancipation and development.

The division of labour between intellectual and manual labour is an expression of the relationship between classes and is a historical manifestation of the dominant mode of production which also has engendered the differentials between agriculture and industry, cities and countryside. The need for a new mode of production to overcome these differentials is more and more recognised.

New forms of socialisation and education are required for all people, young, adolescents and adults alike, which integrate theory with practice, thought with action, education with society and people's needs; and the training for natural science, to help people to control and make properly use of the material world with that in social science and political education, to train people to understand the nature of the social forces which shape their lives and to transform these so as to ensure collective and personal self-development. In this sense, education has the purpose to help people to overcome the paralysis of their creative praxis in thought and action to which they are subject and to liberate all the creative potentialities of their consciousness.³⁰

5. *Final Considerations*

Third World countries are faced with an alternative. Either they accept their dependence or they pursue the path of their self-reliant autonomous development. In the first case, they are bound to increased polarisation, inequality and mass poverty. They continue to accept the mobilisation of their resources primarily in the function of foreign requirements. The immense reservoir of dormant productive and creative potentialities of the mass of their peoples will remain unutilised or under-utilised. These are the people who (have) become poor because the historical process of uneven growth, resulting from the dominant form of economic organisation which was the motor of colonialism and subsequent political and economic dominance, has brought them to this state. It is proposed that the countries of the Third World can only overcome their poverty and stagnation if and when they decide to pursue a new, alternative and original road to development which qualitatively differs from that followed by the industrially advanced countries.

While substantive short-term gains may be reaped by achieving more equal exchange relations, monetary and price relations are only manifestations of the inequality resulting from the dominant world production relations and reflected in the internal production structure of the Third World countries.³¹ Favourable changes in exchange relations will have no lasting benefit, unless they lead to and are accompanied by transformations in their own production structure by the countries from which development has been withheld.³² The accrued benefits from improved exchange relations may even reinforce the prevailing uneven production and consumption patterns, as these are based on pronounced inequality in power and income. Like aid, these benefits are likely to aggravate polarisation; unless they are preceded or accompanied by transformations of the social and economic structure, leading to a redistribution of power and income. The Third World countries must undoubtedly radically modify the rules of profitability, governing the allocation of resources in a free market context.³³ By accepting the allocation of resources, the relative prices and cost-benefit approach inherent in the capitalist mode of production, they are bound to reproduce in an amplified way the uneven growth, class divisions and income distribution characteristic of the industrialised countries. This polarisation becomes manifest in the growing disbalance between cities and rural areas, the uneven growth of industry and agriculture, and the increasing inequality between 'intellectual' and 'manual' work.

To ensure a resource allocation which meets the basic needs of the mass of the population, conscious planning and deliberate intervention is needed in the organisation of society. Rather than accept governance by profit and money relations, people have to acquire and exercise conscious control over their society.

It may well be that the choice for a new original path to development may initially slow down economic growth in the conventional sense. But if conventional cost-benefit analysis is substituted by an approach which takes as the criterion for development the well-being and welfare of all people and the necessity to protect and save the environment and to carefully husband national resources, then the conventional conception of growth (as the basis for profit) may well be rejected, as such growth is achieved at the expense of great human suffering and degradation, the destruction of the environment and the wasteful use and depletion of precious resources. Thanks to the instrumentalisation of man and nature, high artificial growth may be achieved, but the

price paid is that the survival and livelihood of a large part of the world's population is threatened and that its self-realisation is blocked.

The pursuit of self-reliance starts from people's needs. It calls on people's creative and productive powers and their capacity for innovativeness. In this conception, capital is not perceived as a thing but as a new structure of social relations liberating and enhancing people's inventive and creative capacity and promoting in them a continuous learning process from practice to theory and again from theory to practice. The search for such a structure of social relations implies the task to develop and create always new forms of social organisation, which will awaken and optimise people's interest and commitment to a purpose, which they experience as meaningful and worthwhile. Interest and commitment to a purpose wider than their own self-interest can only be raised if they feel, that by co-operating with others and by serving their local community and their country, they will receive a fair reward for their work and that their material welfare and personal well-being are safeguarded. Only if they enjoy minimum conditions of material security and a perspective of improved welfare and well-being, will they be able to give up pursuing their own interest first at the expense of their fellowmen. The development of a new consciousness and human practice giving in practice primacy to people is the great historical challenge, pointing to forms of societal organisation which integrate economic activity rather than being defined by it. This can only come about if it is actively pursued by the people in their struggle for survival, security and a meaningful life.

In order to advance people need firm and lucid leadership which, trusted by them and having their full support, is capable and determined to crystallise their aspirations into programmes, inspiring mass action movements for national self-reliant development, the achievement of genuine sovereignty and autonomy, the abolition of poverty and the realisation of conditions for personal and collective self-development. This implies liberation from the interlinked forces of both external and internal monopolisation and alienation. To achieve this, governments must rely on the people and unite with them and accept them as the main carriers and beneficiaries of change. If not, they will be obliged to perceive the people as a liability and a threat to stability and to their own survival. This will postpone the movement towards self-development and generate uncontrollable pressures. This will deepen the agonising conditions of the mass of the people, but is also bound to intensify their quest for liberation and a new way of life.

By realising the internal transformations needed to create the basis for self-reliant development, the Third World countries will achieve a position of strength. This will enable them to deal with the industrially advanced countries on equal terms so that cooperation can become mutually beneficial. Their achievement of self-reliance will have far-reaching benefits for the industrialised countries. They will have to re-orient their economies, reduce their growth and create new life styles and patterns of social organisations which will enable people to overcome the multiple impediments to self-realisation encrusted in their social relations. The need for such profound transformations in the industrialised countries is unavoidably linked to the establishment of a new world, no longer characterised by the exploitation of man by man and of one society by another, but by genuine equality, mutual respect and recognition and fraternal cooperation. Such transformations are also experienced as a necessity by a growing number of people in the industrialised countries.

By turning necessity into virtue, the Third World countries, rather than being relegated to be the last, become the first in leading the way to a truly human society and a new culture and civilisation, by bringing into practice that, of all things, man is most precious. This implies organising society so that full play can be given to people's multiple and multidimensional creative dispositions and faculties in the service of their own welfare, well-being and enjoyment.

Footnotes

1. 'Social Policy and Planning: Report of the United Nations Meeting on Social Policy and Planning' (Stockholm, Sweden, 1-1 September 1969) *United Nations International Social Development Review*, No. 3.
2. United Nations Committee on Mass Poverty and Employment, *Attack on Mass Poverty and Employment* (United Nations Centre for Economic and Social Information, New York, 1972).
3. Statement by Mr. J.B.P. Maramis, Executive Secretary of the Economic and Social Commission for Asia and the Pacific at the occasion of the first session of the Committee on Social Development of the Commission from 30 July to 5 August 1975 at Bangkok.
4. Conclusion reached at the meeting of the Forum of Third World Scientists in Santiago de Chile. See Padmai Dessai, 'Third World Scientists in Santiago', *World Development*, Vol. 1, No. 9 (September 1973). See also Tamas Szentes, 'The Environmental Problem and the Industrial Development Patterns of Multinational Companies in the Third World' (paper presented at the expert group meeting on alternative patterns of development, organised by the United Nations Environmental Programme, United Nations, Geneva, May 1974).
5. See the preamble of the *Declaration on the Establishment of a New International Order*, adopted by the Sixth Special Session of the United Nations General Assembly (without vote) in April 1974.
6. Robert McNamara, President of the World Bank, Address to the Board of Governors, Washington D.C., 25 September 1972, p. 9. McNamara speaks of 'the political pressures of special interest groups in the affluent nations which are prevailing over the interests of the majority of ordinary citizens in rich and poor countries alike'.
7. Samir Amin, *L'accumulation a l'echelle mondiale, Critique de la Theorie du Sous-Developpement*. (Paris-Dakar, 1971).

8. John Weeks, 'Employment, Growth and Foreign Domination', *The Review of Radical Political Economics*, Vol.4, No. 1, (1972). See also the critique by Gunnar Myrdal on the mechanistic application and irrelevance of employment theory in neo-classical economics to the problems of Third World countries and his proposal to replace static employment theory by a dynamic approach which starts from people's potential, their potential of productive power (labour utilisation). Its actualisation depends, however, on the transformation of the prevailing social structures.
9. See the studies on the effects of the Green Revolution by the United Nations Research Institute for Social Development and the summary of conclusions of these studies by Andrew Pearse. *The Social and Economic Implication of the Large-Scale Introduction of High-yielding Varieties of Foodgrains* (UNRISD, Geneva, 1974).
10. Michael Cepede, 'The Green Revolution and Employment', *International Labour Review*, Vol. 105, No. 1 (1972).
11. Geoffrey Barraclough, 'The Great World Crisis', *The New York Review of Books* (January 23, 1975). Barraclough shows in his analysis that the present economic crisis is not due to the legitimate action by Third World countries to raise the prices for their raw materials (e.g. the oil producing countries), but that it is an outcome of the very nature and direction of economic growth in the industrially advanced countries as it has taken place during the past decades.
12. Erich Jacoby, *Man and Land, the Fundamental Relationship* (Andre Deutsch, London, 1972).
13. Paul Baran, *The Political Economy of Growth* (Pelican Books, 1973), p. 308.
14. *United Nations Report on a Unified Approach to Development Analysis and Planning* (Preliminary Report of the Secretary General, New York, October 1971), p. 25.

15. John Durston, 'Regional Socio-economic Development, Conceptual Framework,' *United Nations International Social Development Review*, No. 4 edition on Regional Socio-economic development (New York, 1972).
 A.N. Bose, 'The Basic Problem of the Indian Metropolis, its continuing semi-colonial character', *Indian Journal of Regional Science*, Vol. 3 (1971). See in the same number of this Journal the conclusions of a seminar on the planning problems of Metropolitan Regions which also stress the semi-colonial nature of relations between cities and countryside.
16. Manuel Castells, *La Question Urbaine* (Paris, Maspero, 1972) and Barbara Stuckey, 'Spatial Analysis and Economic Development', *Development and Change* Vol. 6, No. 1 (January 1975; Institute of Social Studies, The Hague). Both authors argue that a proper understanding of the problems resulting from spatial and distributional imbalance between productive activities and with regard to the population cannot be reached by concentrating on distribution itself. They propose that distribution reflects the nature of the dominant mode of production. A more even distribution can only be reached in their view, insofar as the domination of the Third World countries by the industrially advanced countries is ended. Dependency which in the past has shaped the internal production structure in function of the requirements of the colonial metropolis (political and/or economic), continues to distort the internal patterns of production and the spatial organisation of economic and social activity (industrial concentration in cities, the development of external economies in and around the major cities and the emphasis on export production). This is so, as the allocation of resources and the choice of production patterns is as yet greatly determined not so much by the Third World countries' domestic development requirements and the needs of the masses, but in response to the prices of the 'free' international market. The achievement of a more even balanced distribution of productive activities and of people and their opportunities for self-development demands at the same time the transformation of the internal feudal and semi-feudal social (particularly agrarian) structures; these block the full

development of the country's productive forces due to the fact that the creative and productive power of the masses is prevented from flourishing. In view of their increasingly agonising conditions, people feel forced to migrate from their rural homes to the urban concentration where they swell the ranks of the slum-dwellers and are forced to engage in mostly unproductive activities. The mechanistic application of Western growth pole theory to conditions in the Third World countries bypasses the fact that the nature and structure of production and social relations in these countries is qualitatively different from those in the West in view of the as yet dependent incorporation of their economies into the dominant mode of production on a world scale and the integration and fusion of the feudal and semi-feudal modes of production with it.

As a consequence of not admitting that the problems of productive and spatial imbalance and polarisation require a transformational approach which strikes at the roots of problems rather than treating the symptoms, development and economic policy risk to being reduced 'crisis management'. It is often argued by practitioners that there is no time for theory and that the urgency of the situation requires immediate 'practical' action. Although the urgency of the situation must be recognised, such an approach can hardly be called 'practical' as it is likely or even bound to contribute to the intensification of prevailing disequilibria and disparities. Such a theory, however, has its roots in the real world. It represents an adaptation to and a 'Scientific' legitimisation of the status quo. As it takes the prevailing structure of international and national relationships for given, it represents an ideological rather than a scientific approach to social reality. It has been conclusively argued that the assumption of equilibrium as a 'natural' state of affairs, which is at the centre of dominant economic and social theory, is of a purely ideological nature. It provides the dominant classes who have an interest in the maintenance of the status quo and stability with a 'scientific' underpinning of their interests. See Gunnar Myrdal, *Economic Theory and Underdeveloped Regions* (Gerald Duckworth and Co. London, 1957).

17. *Multinational Corporations in World Development* (New York, United Nations, 1973) and Report of the Group of Eminent Persons to study the impact of Multinational Corporations on Development and on International Relations (United Nations, New York, 1974).
18. Dudley Seers, 'What Are We Trying to Measure', *Journal of Development Studies*, Vol. 8, No. 3, (1972).
19. Robert McNamara, op.cit. p. 13.
20. Charles Bettelheim, 'Tue tipi di Accumulazione', *II Manifesto*, No, 5, (Maggio, Roma 1970).
21. The romanticism surrounding the small farmer in Third World countries and the emphasis on his superior qualities and hard work as a small entrepreneur is frequently emphasised in Western inspired agricultural economics. It wholly abstracts from the mostly extremely difficult environment in which these small farmers operate and the self-exploitation (long working hours for themselves, their wives, children and minimal rewards for workers) they have to engage in to survive and secure the livelihood for the family. Such a type of analysis as a rule wholly bypasses the severely monopolistic conditions in many ways the idealised picture which dominant economic theory continues to present of the small businessman and entrepreneur in the industrially advanced countries to whom all the virtues of the independent dynamic entrepreneur are attributed, while the monopolistic conditions which force him to overwork himself and his family and to engage in self-exploitation, in order to keep his business alive, are not given attention. Dominant theory continues to spread the fiction that society is in a state of equilibrium and harmony and characterised by fair competition and a 'free' market as in the early days of capitalist development. See for the analysis of this myth in economic theory and the nature of self-exploitation, John Kenneth Gallbraith, *Economics and the Public Purpose* (London, 1974).
22. Samir Amin and Kostas Vergopoulos, *La Question Paysanne et le Capitalisme* (Editions Anthropos, Paris-Dakar, 1974).

23. *Report of the Special Committee on Agrarian Reform of the United Nations Food and Agricultural Organisation (FAO, Rome, 1971).*

The Report says: 'The foregoing leads us forcibly to conclude that agrarian reform implies first and foremost a political decision. The changing of land tenure structure.... promotes not only a redistribution of income.... but also a fundamental alteration in the position of the existing strata and hence, a redistribution of power.' The difficulty of realising the needed agrarian reforms stem from the concentration of economic and social power and from the effects of such concentration on the exercise of political power. Moreover, the strong inertia of unjust structures which impede development is not yet counterbalanced by a vigorous organisation of the peasant masses. They have not yet even acquired, in some cases, a clear awareness of what they should demand and obtain, nor of the part they must play in the development process. This is not surprising given the hostile atmosphere in which embryonic peasant organisations often have to operate" (p. 29).

The Report continues: 'The necessary alterations in distribution systems are held up not only by the internal obstacles represented by the power of the middlemen, money lenders and owners of processing plants, but also by the control exercised over the external market by the foreign firms which purchase, process and distribute the produce on that market. The high degree of concentration of these activities is increasing daily' (p. 30). The same can be said of inputs such as chemical fertiliser, insecticides and pesticides over which foreign corporations frequently exercise a high degree of control. As a result of this, the burden easily becomes too heavy for the small farmers who either are forced to work too hard and become increasingly indebted or who drop out and become wage labourers or displaced peasants in the city slums. One danger of the over-reliance on imported inputs is the increased degree of vulnerability of national agriculture. The problem of foreign monopolistic control, observed in the FAO study, are not given any attention in the analysis by the World Bank of the conditions of the rural poor and its proposals for rural development policy (*Sector Policy Paper on Rural Development*, Washington D.C.; February 1975).

24. H.V. Henle, *Report on China's Agriculture* (United Nations Food and Agricultural Organisation, Rome, 1974).

25. *Progress in Land Reform* (Fifth Report prepared jointly by the United Nations Food and Agricultural Organisation, the International Labour Office and the United Nations, New York, 1970). See the chapter on Land Reform and Balance Development (Land Reform and Urbanisation, Land Reform and Industrialisation, Re-orientation of the Planning Process).
 See also John Sigurdson, 'Report from China on Rural Industry,' *China Quarterly* (April-June, 1972).

26. Gunnar Myrdal, *Objectivity in Social Research* (New York, Pantheon Books, 1969). Rodolfo Stavenhagen, 'Decolonialising the Social Sciences', *Human Organisation*, Vol. 30, No. 4, (Winter 1971).
 Lucien Goldman, *Sciences Humaines et Philosophie* (Paris, Edition Gonthier, 1966). See particularly his analysis of the relations between ideology, science and conscience.
 The nature of planning as a political process which underlies planning as a technical activity and the myth of its 'neutrality' are stressed in the *United Nations Report on a Unified Approach* (p. 45).

27. Norbert Elias, *Introduction to 'Über den Prozess der Zivilisation. Socio-genese and psychogenetische Untersuchungen'* (Bern/München 1969). Elias points out in his analysis that the evaluation of the industrialised peoples of themselves as "developed" reflects the dominant values in these countries which reflected the hegemonic position which those countries had reached and which were viewed as 'ideal', not subject to change and evolution. He shows how such a conception is rooted in the defence of interests as they have crystallised in the structure of external and internal relations. Implicit in this conception of development is a rejection of the ideals (of change, progress, justice and equality) which inspired major social movements as well as a major movement in the social sciences in Europe in the last century. In that movement, social science was not, as it is in dominant social theory in the West today, divorced from the

concrete problems and needs of people. It drew, on the contrary, its inspiration from these in an attempt to develop social science as an instrument for the transformation of society.

28. Antonio Gramsci. See Maria Antonietta Macciocchi, *Four Gramsci* (Editions de Seuil, Paris, 1974).
29. *Learning to Be, The World of Education Today and Tomorrow* (Report of the UNESCO Commission on the Development of Education, UNESCO Paris and the Ontario Institute for Studies in Education, Toronto, 1973).
30. Ibidem, See the chapters 'For creativity', 'Towards Social Commitment' and 'Towards the Complete Man'. The UNESCO Commission warns against the stifling effects of a division of labour which instrumentalises the people without allowing for self-development. It observes that prevailing conditions are often antagonistic to man's self-fulfilment. 'He is exposed to division, tension and discord on all sides. Social structures which defy all rules of justice and harmony cannot fail to affect the various realms of his being. All that surrounds him seems to encourage dissociation of the elements of his personality: the division of society into classes, alienation from work and its fragmented nature, the artificial opposition between intellectual and manual labour, the crisis of ideologies, the disintegration of accepted myths and the dichotomies between body and mind or material and spiritual values' (p. 154).
31. Charles Bettelheim, 'Theoretical Comments', Appendix 1 to Aghiri Emmanuel, *Unequal Exchange* (Monthly Review Press, New York, 1972).
32. Paul Bairoch, *Diagnostic de L'Evolution Economique du Tiers Monde 1900-1968* (Universite Libre de Bruxelles, Gauthiers Villars, Paris, 1970). Bairoch points to the fact that all countries which are now in an advanced stage of industrialisation have, before they embarked on accelerated industrialisation (the so-called industrial revolution), carried through an inclusive (with the exception of the new settlers countries) process of agrarian transformation. This increased agricultural produc-

tivity, enlarged the national market and prepared in this way the way for self-sustained industrialisation. This agrarian transformation was either a revolution imposed from above by the dominant classes (e.g. Great Britain and Japan) or carried out by newly emerging social forces (e.g. Russia and China). The author suggests that unless Third World countries carry out such a process of transformation, they will not be able to achieve a self-sustained process of dynamic development.

33. Samir Amin, *Le Developpement Inegal, Essai sur les Formations Sociales du Capitalisme Periferique* (Les Editions de Minuit, Paris, 1973).

Paul Bairoch, *Le Tiers Monde dans l'impasse* (Gallimard, Paris, 1971), p. 324. Bairoch shows that all now industrialised countries have in the crucial periods of their industrialisation engaged in firmly protecting the development of their own industry, by imposing high tariffs to goods from other countries (European countries, USA and Japan). 'Free' trade was imposed after competitive capacity had been broken and after countries had been conquered and/or became politically and economically dependent.

For example, the textile industry of both India and China, once the world's principle producers and exporters, was ruined by the high tariffs set by the then 'developing' countries of the West. Upon that, 'free' trade was imposed by way of unequal treaties. Historical experience suggests that countries which seek to ensure for themselves a process of genuine national development, must take appropriate measures for self-protection, particularly in the first stages of industrialisation. Unfettered 'free' trade (the claim for it is expressed in another claim for securing that societies are 'open' societies) may be essential for the continued growth and expansion of the economy of the industrially advanced countries. It is not to the benefit of the Third World countries which have full and legitimate rights to introduce measures for adequate self-protection and to safeguard and promote self-development. Such measures, including those to jointly ensure at the regional and inter-continental level fair conditions for exports, are far from complete (see Gamani Correa, Executive Secretary of UNCTAD,

'Pour une revision radicale de l'Economie des produits de base', *Le Monde Diplomatique* (July 1975). Autonomous self-reliant development does not mean isolation for seclusion but the development of national capacity to adapt external to domestic needs and requirements. The untrammelled pursuit of 'free' trade has always served the stronger nations to prevent the weaker ones from being free to pursue their own development, with as a consequence the distortion of their internal political, economic, social and cultural organisation. This is as a rule ignored in Western inspired economic theory. It tends to deal with the industrially advanced and Third World countries, as if their history occurred in separation from each other and as if what are called 'development' and 'underdevelopment' have not been the expressions and interdependent poles of one single historical process.

* The views expressed in this paper are those of the author and do not necessarily express the position of the Organisation, to which he is attached. (Regional Adviser on Integrated Development Planning. United Nations Economic and Social Commission (ESCAP), Bangkok, Thailand.

